

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF NEW YORK

IN RE:

PRIME CAPITAL VENTURES, LLC,
Debtor.

Chapter 7

Case No. 23- 11302

**DECLARATION OF THOMAS F. TAFT, JR. IN SUPPORT OF EMERGENCY
MOTION OF PETITIONING CREDITORS FOR APPOINTMENT OF INTERIM
TRUSTEE OVER PRIME CAPITAL VENTURES, LLC**

I, Thomas F. Taft, Jr., hereby declare as follows:

1. I am over 18 years of age, under no disability which would keep me from making this declaration and have personal knowledge of the facts set forth herein based upon my own personal involvement. I reside in Charlotte, North Carolina.
2. I am a manager of Compass-Charlotte 1031, LLC (“Compass”), one of the petitioning creditors in this case.

3. Compass is the owner and developer of a parcel of commercial property in Charlotte, North Carolina. In early 2023, it was looking for an almost \$80 million loan to build a multi-family apartment building. Compass was introduced to Prime through a third-party loan broker.

4. Kimberly “Kimmy” Humphrey, the Executive Vice President of Prime traveled to Charlotte and met in person with me and other Compass officers to discuss a loan and to tour the site for the multi-family build.¹

¹ My understanding is that Kimmy Humphrey is the sister of Prime’s Chief Operating Officer Chris Snyder.

5. On March 27, 2023, Prime provided Compass with a “Commitment to Fund Letter” in which it promised to fund \$75,725,000 “via a non-recourse, asset-backed Line of Credit” with a term of 60 months and an interest rate of 7.5%. A true and correct copy of that commitment letter is attached hereto as Exhibit 1.

6. Compass (as borrower) then entered into an April 24, 2023 Development Line of Credit with Prime (as lender), whereby Prime was to make a loan for \$79,511,250 (the “Compass Prime Agreement”). A copy of the Compass Prime Agreement is attached hereto as Exhibit 2.

7. The Compass Prime Agreement was signed by Kris Roglieri as CEO of Prime.

8. Section 10.12 of the Compass Prime Agreement states: “Lender hereby represents and warrants to Borrower that it has the financial ability and wherewithal to fund the LOC in the full amount of the Maximum Amount” (*i.e.* \$79,511,250).

9. Pursuant to the terms of the Compass Prime Agreement and in reliance on Prime’s oral and written promises that it could provide the needed line of credit, Compass wired the sum of \$15,902,250 to Prime as an “ICA Payment” on April 27, 2023 (the “Compass Deposit”).

10. Per the Compass Prime Agreement, the Compass Deposit was to be held in an “Interest Credit Account” held by Prime. The agreement specifically provided that “All credits to the Interest Credit Account shall be used . . . for purposes of payment on interest payable on the Advances as and when such interest payments are due and payable.” Section 3.6. Said another way, the parties explicitly agreed that the Compass Deposit

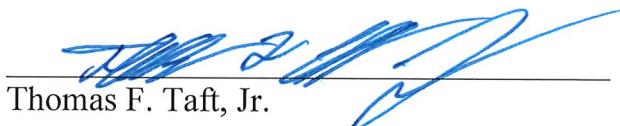
would be held by Prime and not used for any other purpose other than interest payments due on advances Prime made under the line of credit.

11. Since April 27, 2023, Prime has had the Compass Deposit, but never advanced any funds or provided a line of credit. On October 27, 2023, Compass demanded the return of its deposit.

12. Roglieri and Prime admitted orally and in writing on numerous occasions (both directly and through counsel) that Compass is entitled to the return of the Compass Deposit and that the Compass Deposit was due to be returned no later than December 12, 2023. They promised that the funds were going to be returned any day or in tranches, but in any event no later than December 12, 2023. However, they have both failed to return the funds. Copies of emails showing the promises by Roglieri and Prime (including promises made through counsel) are attached hereto as Exhibit 3.

13. Moreover, Roglieri and Kimmy Humphrey have claimed that the funds are held at RBC Bank and have promised on multiple occasions to provide copies of bank account statements showing exactly where the Compass Deposit is held. However, they have failed to provide any such statements, despite numerous promises to do so.

I declare under penalty of perjury that the foregoing is true and correct. Executed this 18th day of December, 2023.


Thomas F. Taft, Jr.